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Item II

*briefing of  
Mr. Sullivan*

STAFF STUDY ON PSYCHOLOGICAL STRATEGY PLANNING TASKS WITH REGARD TO  
SOUTHEAST ASIA

SUMMARY: This item reflects need for a psychological strategy plan for Southeast Asia in implementation of an NSC policy paper now in preparation. The director of the PSB staff recognizes that preparation of such a PSB paper might be considered premature under normal circumstances, but he believes the concurrent preparation of a plan by the PSB staff is justified by the importance and urgency of the situation.

The principal amendments offered by CIA are with respect to the Outline of Strategic Factors:

Section II, Page 5: (Political Units) Revise to include precise statements of forms of government of each country.

Section II, (B), Page 8: (Thailand) In discussing the political ~~climate~~ *reforms*, cognizance should be taken of the traditionally strong influence of the military and police in Thai politics.

Section II, (D), Page 11: (Malayan Minorities) This section designates Malaya and Indochina as the most-threatened countries. Clarification is necessary in light of the conclusions reached in this staff study--that Indochina and Burma are in the most danger.

Section II (F), Page 14: (Indonesia) Recognize that Indonesia is the major source of oil in Southeast Asia.

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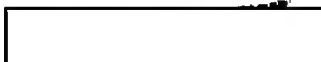
Section III, Page 17: (Overseas Chinese) More emphasis should be placed on the fact that overseas Chinese dominate much of Southeast Asia's economy.

Section IV, (Japan) (Page 20) Question the accuracy of the following assumptions in the staff paper:

- a. The series of treaties of which the Japanese peace treaty is the chief, formalized a new state of relationships in the Far East, with the power vacuum to be filled by Japan.
- b. Japanese trade with the Chinese mainland will be eliminated.
- c. The Japanese will be allowed to expand their trade to Southeast Asia.

Recommendation: That you approve the general conclusions and recommendations made in the staff study subject to the above amendments.

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